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Citrus

Mexican Government Hosts Citrus Forum

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Report Highlights:

The following is a summary of a meeting between Mexican government officials and citrus producers that took place May 30, 2001. The Agricultural and Livestock Committee of Mexico's House of Representatives organized and hosted the forum. FAS/Mexico's citrus analyst and Agricultural Attaché attended.

Includes PSD changes: No
Includes Trade Matrix: No
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Executive Summary

On May 30, 2001, key members of the Agricultural Committee of Mexico's House of Representatives met with a variety of leaders of the Mexican citrus industry to discuss the overall conditions for citrus production, marketing, NAFTA, and the status of Citrus Tristeza Virus (CTV) in Mexico. The President of the Agricultural Committee presided over the meeting along with other officials from the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA), Secretariat of Economy (SE) and the University of Chapingo. Citrus producers, representatives of citrus organizations, and state government officials were present at the meeting. A series of question and answer periods produced some lively discussions. In general, producers' main concerns are access to domestic and international markets and the availability of credit to purchase the new disease-tolerant planting stock. Also, they asked for more government information on the status of all programs, including the CTV control program.

Summary of Presentations:

A) Secretariat of Economy, "Marketing of Citrus Products," Dr. Sergio Carrera, Director of Domestic Trade, SE

In general, the Secretariat of Economy, indicated that it is making efforts to provide more marketing tools for producers as well as setting marketing standards. SE has been improving its information service by providing wholesale prices at the terminal markets earlier in the day than it had before, but still not at the precise moment prices are being set. Citrus producers, however, indicated that many of them are not able to reach the terminal markets because there is no financing or credit to market their products. Furthermore, they complained that the large supermarkets work on consignment which precludes most of the small producers from selling to those buyers. Also, several producers stated they do not have the expertise or infrastructure to market their product in neither the domestic nor international market. They also complained that there are too many middlemen and agents who are not interested in defending producers' interests. SE stated that a system is being developed where the National Trust Fund will pay National Producers upon delivery to the larger supermarkets and then collect from the supermarkets at a later date. Producers also asked for more information on export requirements and prices to be able to enter export markets.

B) SAGARPA (Note: There was considerable overlap in the following three presentations, therefore they are being summarized together below.)

- "Overview of the Citrus Industry," Dr. Victor Villalobos, Undersecretary for Agriculture and Livestock,
- "Citrus Support Program," Mr. Sebastian Peña, Deputy Director for Fruit Trees, SAGARPA
- Citrus Phytosanitary Situation in Mexico, Mr. Javier Trujillo, Director in Chief of CONASAG

SAGARPA indicated that about 90,000 families depend upon the citrus industry. To assist citrus

producers in Mexico, several months ago SAGARPA announced a Citrus Support Program. Both the federal and state governments are involved in and support this program. The objective of the program is to assist farmers with planting stock by providing different supports to renovate groves with vegetative material that is certified free of the citrus tristeza virus (CTV) and resistant to CTV. SAGARPA funds are budgeted for the replacement or renovation of citrus groves with virus-free material and certified plants, to have specialized technical assistance, to establish producer lots of virus-free seeds and propagative material, and to have marketing assistance. This program is an important effort to reduce the possible spreading of CTV through the brown citrus aphid vector. SAGARPA also stated that CTV has already been reported in the country in different citrus producing areas. Reportedly, the highly infested zones are within the states of Yucatan and Quintana Roo in southeast Mexico. Several phytosanitary norms and regulations have been published to prevent the spreading of the CTV in Mexico. According to SAGARPA, several actions have been taken to eliminate CTV and the brown citrus aphid, including monitoring CTV outbreaks, using genetic and biological controls, training and providing information to farmers. The detection and eradication of plants has been carried out in different entities. It is prohibited to continue the use of CTV non-resistant material, and the gradual replacement of old trees with new resistant root stock is being enforced. So far, the state of Tamaulipas is the leader in producing CTV-resistant material and citrus grove renovation.

C) University of Chapingo Citrus in the NAFTA framework, Dr. Juan Antonio Leos, Graduate School Coordinator

Dr. Juan Antonio Leos from the University of Chapingo, one of Mexico's leading agricultural universities, gave the last presentation of the day. He stated that Mexico's government needs to better understand international markets to improve its negotiation position when negotiating trade agreements with other countries. He also mentioned some of the historical concerns that the Florida citrus industry had with NAFTA when it was being negotiated.

FAS/Mexico Comments

Overall, the tone of the meeting was polite and constructive -- not confrontational nor strongly anti-NAFTA. Nevertheless, many of the citrus industry representatives were quite vocal during question and answer periods in expressing their concerns to the politicians and the representatives from the Fox administration. They blamed competition from Brazil and the lack of government support for improving infrastructure in the citrus industry for their problems. In fact citrus producers and juice industry representatives affirmed that the solution to the oversupply of fruit and prevailing low prices is in expanding orange juice concentrate exports. The lack of infrastructure, however, makes it difficult to export to the U.S. and Europe.